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THE WHITE HOUSE

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MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Dr. Henry A. Kissinger, Secretary of State

and Assistant to the President for

National Security Affairs

James R. Schlesinger, Secretary of Defense
Lt. General Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME:

Friday, August 2, 1974

8:00 a.m.

PLACE:

Pentagon - Breakfast

Secretary Schlesinger: What are your travel plans?

Secretary Kissinger: I have to go to India on my way to the Soviet Union and the Middle East at some time.

Secretary Schlesinger: How is it going?

Secretary Kissinger: I had good talks with Allon. They are unrealistic. They seem to think they can stall for a year or two. They are getting ready to repeat the strategy of 1971 -- not to stonewall, but they're bringing up devices for stalling.

But they have to move on Jordan to keep the Palestinians quiet. If there is another oil crisis, we will have a world economic collapse.

How is Project Independence coming?

General Scowcroft: It is going nowhere.

Secretary Schlesinger: There is no way to get there. It takes enormous concentration because the authority is so confused. I pushed this business in the AEC and was frustrated then.

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<u>Kissinger:</u> We will never get oil prices down if we talk about it the way we are.

<u>Schlesinger</u>: Our industry is collapsing. We can't even get tank turrets produced any more.

<u>Kissinger:</u> Baker told me about communication security and we haven't done anything for 10 years.

Let's talk energy. What do we have to do to get going? The chances of a war in the next year are 40-60.

Schlesinger: Would we take Abu Dhabi?

Kissinger: We should plan for it.

Schlesinger: I may put some Marines in the Indian Ocean.

Simon is talking about breaking the Shah. That's crazy.

<u>Kissinger:</u> He is the one real element of stability. We will know within three months whether we can get a process going in the Middle East. If not, there will probably be a war within a year.

Schlesinger: How should we handle the Israelis?

Kissinger: The President has given Brent and me orders not to deliver anything. That is not realistic. They have two lists. They said you okayed it subject to my approval.

Schlesinger: I said that only with respect to the laser-guided weapons would I talk to you.

Kissinger: They are trying to play between you and me. The Kalb book started it. They are spreading the word that you support them and then that makes me the bogey man. They think we will both be protesting it isn't us, and so they will get their way. We need some technical excuses. They can roll any aid bill through the Congress. The only resistance they take seriously is that of the President -- and they think he is paralyzed now.

What Israel lacks now is the determination to bite the bullet. But another war could be a disaster -- with an oil embargo, European pressures, the possibility the Soviets won't be so craven, which we can't count on.

Schlesinger: It is in their ethos.

Kissinger: They probably will be more risk-taking next year.

Israel has to negotiate with either Jordan or Egypt and get the other in line to negotiate. They haven't refused, but if we fulfill everything they want, we reverse their incentive.

Schlesinger: We won't do it, then. We will do it only if they deliver.

How about the Redeye?

Kissinger: I better talk to the President. He has given orders.

Schlesinger: We can give them Redeye and some M-48's.

Kissinger: How about the LGB and Cobras?

Schlesinger: I would wait for more movement.

<u>Kissinger:</u> Let me talk with the President. I am sympathetic with the tanks and half way with the Redeye.

Schlesinger: We have pressured the Soviets not to distribute Strelas.

Kissinger: Just to the fedayeen, no?

Another oil crisis would be bad.

Schlesinger: We might have to seize Abu Dhabi.

[There was some further discussion of oil and investment]

<u>Kissinger:</u> Do we have contingency plans to handle Abu Dhabi and Saudi Arabia?

Schlesinger: It would take a lot of men and ships. We could put a couple of brigades in Diego Garcia.

Kissinger: I fought for you before Mahon. He said they wanted to cut \$3 billion.

Schlesinger: About \$1 billion of real cuts.

<u>Kissinger:</u> I must tell Egypt that they must not play with the oil thing again.

Schlesinger: Are they the best?

Kissinger: Yes. Because they will get the word out, and it isn't a threat to them. I will propose talks with Egypt in September through Washington and that they open talks with Jordan, to be completed after Egypt. If they agree to this we can open the taps a bit. But can we argue it's production rather than a political hold up.

Schlesinger: Yes, but not across the board.

Kissinger: Let's do a restricted NSSM -- we can hide behind it.

Schlesinger: The next war will be more like the 1967 rather than the 1973.

Kissinger: I agree.

If we can get Egypt out and get Jordan arguing with the PLO, Syriacan't do much by itself.

Schlesinger: If one of the Gulf states blows up, could we have the Saudistake it?

Kissinger: Tell the Saudis the Iranians will do it if they don't.

Schlesinger: How about Socotra?

Kissinger: I will talk to Fahmi. I will have you meet Fahmi.

Schlesinger: How about Ghorbal?

Kissinger: He is out of the substance.

Schlesinger: Our contingency plans are for full Soviet intervention. I think 15-20,000 is the maximum.

Kissinger: On SALT: I have not yet thought it through.

Schlesinger: I have.

<u>Kissinger:</u> I think the Soviets had the same problem with our numbers we had with theirs -- it didn't look good.

Schlesinger: Why don't we say both could have 1100 MIRV'd missiles? I will reduce our force structure if they will reciprocate. Say whatever number you want, but with sub-limits. Say that neither will deploy more than 4 million pounds throwweight.

<u>Kissinger:</u> Not bad. I think there is a good chance of agreement next year. They know nothing is possible in 1976 and that 1977 is a new Administration.

Kissinger: How about 2500-2300, and 1100-1300 for MIRV?

Schlesinger: Maybe.

Kissinger: How much is 4 million?

Schlesinger: About 450 ICBM's.

Kissinger: They will never agree.

[General Scowcroft reported on the Azores meeting, June 18, between President Nixon and President Spinola of Portugal.]

<u>Kissinger:</u> Huang Chen asked me if Zumwalt's comment about confrontation is correct. Because they would change their assessment if it's true.

How can we get a SALT position?

Schlesinger: We should show them our potential progress to match their progress.

Kissinger: But we don't have any in the budget?

Schlesinger: We have plenty in the budget.

Kissinger: Can you put something in for putting a Minuteman on a 747?

Schlesinger: We can probably test one.

Kissinger: Also the 7-warhead Minuteman.

Schlesinger: We can show that we can match whatever they do -- then we can make proposals. Right now they don't understand this.

<u>Kissinger:</u> They are cruder than we think. They operate from a sense of inferiority.

Schlesinger: Let's tell them we understand their current inferiority. Tell them over the long run it is the throwweight which counts -- in about 1982-83. So we can have a time phased adjustment to it, starting 4-5 years from now. If you worry about China, build some regional weapons. Tell them with the passage of time, we will have a problem in the 80's.

Kissinger: Can you write this up? The Senate Armed Services Committee asked about our differences. I said they are only in SALT and then you would like to prevent a threat to our Minuteman. I agree with the objective but I don't think we can do it and I would just cut their progress by 30 percent. Yours is better strategically, but I think we can keep our forces better in an arms control agreement than in a full race. After Nixon is gone, we won't keep up. When the liberals are liberated, they will go to minimum deterrence.

Jackson, by pushing to the right so far, has lost the opinion-backers who won't follow him. We are trying to co-opt the left and hold the right.

I want a ceiling on Soviet programs and an American program which can't be challenged because it is part of a strategic relationship.

We have a month. Will you write it down?

We will send a delegation in September. I will go to Moscow in October. If there is a breakthrough, maybe we can have an agreement next year.

Schlesinger: Your idea is interesting, but if they won't buy it, what is the option? Give up or try something else? Like "If you want 800 MIRV's, we need the Minuteman on a 747."

<u>Kissinger:</u> If we don't have an agreement, our strategic program will come under increasing attack.

Schlesinger: Socotra -- We want to get the Soviets out, to get it for ourselves.